

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 OTTAWA 001437

SIPDIS

NOFORN

NSC PASS TO ONDCP

E.O. 12958: DECL: 05/16/2013

TAGS: [PREL](#) [PGOV](#) [SNAR](#) [CA](#) [KCRIM](#)

SUBJECT: (C/NF) CANADA: A GOVERNMENT ADRIFT

REF: (A) OTTAWA 917

Classified By: DCM Stephen R. Kelly. Reasons 1.5 (b) and (d).

11. (C/NF) SUMMARY: Despite guarded optimism that the GOC might try to "make amends" for its anti-U.S. handling of Iraq policy, it has become increasingly apparent that the government's behavior on Iraq was symptomatic of a much deeper problem: as in Baghdad, the leadership has gone underground. PM Chretien, once known for his iron-fisted control of the Liberal Caucus, appears to have "lost his fast ball." Since announcing his retirement in 2004, Chretien increasingly has been detached from policymaking and the business of governing, and more concerned about forcing through "legacy" projects, regardless of their consequences. Though this bodes ill for gaining Canadian cooperation on key issues in the immediate term, we should continue to advance our broad bilateral agenda through established channels with an eye to the post-Chretien era. END SUMMARY

12. (C/NF) In a political system that vests so much power in the office of the Prime Minister, the consequence of the PM's decision to step down and his early disengagement from his responsibilities -- a government in disarray -- seems inevitable. The unraveling of Canadian policymaking and governance can be traced through a number of events in the past 8 months. Beginning with reactions to the PM's startling announcement (his own advisors didn't know), last September, that Canada would ratify the Kyoto Protocol, to the current confusion over missile defense and drug policy, GOC decision-making has reflected the PM's gradual loss of control--and thus his legendary ability to force policy--over a restive Liberal House Caucus.

13. (C/NF) Though the Caucus stood in unity with the Chretien over his anti-war stance, many Members of Parliament voiced misgivings, on and off the record, over the "handling" of related Iraq issues and the government's waffling, bumptious approach toward the U.S. Since then, divisions within the Caucus have deepened and grown, fueled in part by the kicking into high gear of the three-way party leadership contest to succeed Chretien. The SARS crisis in Toronto precipitated the "unsightly public spectacle" of infighting among Cabinet ministers when Heritage Minister Sheila Copps and Health Minister Anne McClellan got into a public spat over handling of the SARS crisis. McClellan also has taken issue with Justice Minister Cauchon's marijuana decriminalization bill, voicing strong concern that the new legislation would increase marijuana use in Canada.

14. (C/NF) With two-thirds of the House Liberal Caucus already backing Chretien's political arch-rival, Paul Martin, for leadership of the party, the Prime Minister's ability to advance even his own limited agenda is quickly bogging down. Emboldened MPs are pushing back on key legacy-related legislation, including a bill to curb corporate and union donations to political parties, and marijuana decriminalization. Liberal Party leader Stephen LeDrew, an acknowledged Martin supporter, has been leading the charge against political contributions reform, and a number of backbench MPs have begun to challenge the proposed legislation publicly as well.

15. (C/NF) With few carrots (the promise of "early summer recess" doesn't really cut it) and no sticks (beyond the empty threat of calling early elections) to force his legislative program through the House of Commons, PM Chretien is even less likely to take on really sticky issues such as missile defense. Hence last week's Cabinet non-decision on whether to enter missile defense negotiations with the U.S. should come as no surprise. Notwithstanding the earnest--and even forward-leaning by GOC standards--efforts of Foreign Affairs and Defense Ministers Graham and McCallum to sell MD to their peers in the House, the PM's complete lack of presence on the issue has helped to amplify the voice of the anti-military opposition and the "left wing" of the Liberal Party and thus keep alive the debate.

Consequences for the U.S.

16. (C/NF) Chretien steadfastly maintains that he has no intention of retiring sooner than his announced date of

February 2004, though his remaining at the helm of government beyond the November 15 election of his successor will compound the existing disarray in the GOC. Pressure for him to step down early may increase as November 15 draws near, potentially detracting further from the Fall legislative agenda. A number of pundits have reflected that matters could "get worse" in September, when 85 percent of delegates representing the Liberals' 301 ridings are nominated and declare their voting intentions (thereby "crowning" Paul Martin ahead of schedule). While we anticipate little improvement in GOC behavior or decision-making until Chretien has gone, the extended "interregnum" period is an opportunity to consolidate contacts with prospective members of the next government. In the meantime, we should continue to advance our broad bilateral agenda through established contacts and institutions.

CELLUCCI